

**REMARKS**

This is in response to the Office Action dated March 7, 2007. Claims 1-34 are currently pending.

**Claim 1**

Claim 1 stands rejected under Section 103(a) as being allegedly unpatentable over Mamiya in view of Allen (US 5,764,322). This Section 103(a) rejection is respectfully traversed for at least the following reasons.

Claim 1 requires that "the lightguide element includes a polarization selection layer for causing light of a specific polarization direction, among the light incident from the incidence surface, to selectively go out from the outgoing surface, and a *polarization conversion layer for converting light of a polarization direction, different from the specific polarization direction, into the light of the specific polarization direction; the polarization selection layer reflects the light of the specific polarization direction substantially only toward the outgoing surface, and wherein at least part of the polarization conversion layer is substantially parallel to the polarization selection layer.*" For example and without limitation, Fig. 1 of the instant application illustrates that polarization conversion layer 24 is substantially parallel to polarization selection layer 22.

The cited art fails to disclose or suggest the above underlined features of claim 1. Mamiya fails to disclose or suggest the claimed polarization conversion layer which converts light of one polarization to another polarization, and at least part of which is substantially parallel to the polarization selection layer. In particular, glass substrate 120 in Fig. 8 of Mamiya, relied on by the Office Action, does not convert light of one polarization to another polarization as required by claim 1. This substrate 120 in Mamiya is entirely unrelated to the polarization conversion layer recited in claim 1, and is simply not a polarization conversion layer.